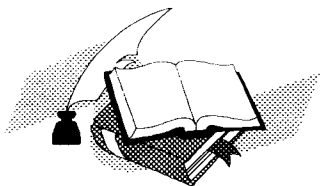


IDAHO STATE BOARD OF ACCOUNTANCY



Newsletter

April 1999 • Volume 21 Issue No. 2

FREQUENTLY ASKED QUESTIONS... About the Uniform Accountancy Act

“How will the new rules apply to licensees with 4 year degrees? Will we be able to obtain reciprocity licenses in states with new 5 year rules?”

Yes, you will be able to get a reciprocal license. The UAA has a ‘4 out of 10’ clause that allows a current licensee in good standing who has been licensed for at least four out of the last ten years, to be licensed through reciprocity without being held to new education examination and/or experience requirements.

A reciprocal license would only be necessary if your principal place of business is relocated to another state. If you simply wanted to work across state lines without physically relocating, you could be licensed through the ‘substantial equivalence’ process. There are two different ways for a licensee to be deemed substantially equivalent with the UAA requirements. The first way is if the state of original licensure is in compliance with the UAA. The second way is if the individual licensee is in compliance.

“Exactly how does it work?”

Here is a hypothetical scenario of substantial equivalence. Idaho adopts the UAA and grandfathers in all current licensees. You are licensed and in good standing in Idaho. Your business begins advertising in national publications and over the Internet. Potential clients in other states respond to your ads. You notify the state where the client resides that you will be doing business there. The other state’s Board of Accountancy will verify that you are licensed in a substantially equivalent state and grant you a license. You will be required to follow their Accountancy Act and Rules and come under their disciplinary jurisdiction (as well as Idaho’s).

Individual State Boards will determine what, if anything, they will charge for a license under substantial equivalence.

UPCOMING EVENTS

May 5 & 6	Uniform CPA Examination
Mid-May	License Renewal Forms Mailed
May 31	CPE Extension Deadline
July 1	License Renewal Deadline
July 1	Practice Unit Registration Forms Mailed
August 31	Practice Unit Registration Due
September 2	Grades from May Exam Mailed

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kpollard@boa.state.id.us

LICENSE RENEWAL

Mid-May you will receive your annual license renewal form. Please contact the Board office if you have not received this form by June 1, 1999.

I. CHANGES TO 1999 LICENSE RENEWAL

A. YOU WILL ONLY RECEIVE ONE NOTICE.

You will not receive reminders from State Board office. If you have questions concerning consequences of late submission of the license renewal fee, please refer to the Idaho Accountancy Rule 301(b) or call us.

B. INCOMPLETE CPE REQUIREMENTS.

All CPE requirements must be met before your license will be renewed. If you have not submitted your 1998 CPE report, late reporting fee, required documentation, or if you have not completed required CPE hours and/or extension penalty hours, you will not be allowed to renew your license.

II. RENEWAL DEADLINE

Your License Renewal must be returned to the Idaho State Board of Accountancy no later than July 1, 1999. A U.S. Postal Service postmark as of that date will be considered timely.

III. FINES AND CONSEQUENCES OF LATE RENEWAL

Late renewal fine is **\$50**. If the renewal fee and late fine are not submitted by August 1, 1999, the Board will begin suspension proceedings and may refuse to renew your license pursuant to *Idaho Code* Section 54-219. Late fine will not be waived for late or lost mail where the licensee has failed to apprise the Board office of an address change.

Licensees suspended for nonpayment of annual renewal fees and/or failure to complete CPE will be assessed a renewal fee of up to **\$500** in addition to an administrative fine of up to **\$1,000** when/if they apply for reinstatement. Remember to pay your license renewal on time.

LICENSE RENEWAL ARE DUE BY JULY 1, 1999

Idaho State Board of Accountancy 150 Hour Requirement CPA EXAM CANDIDATES

Education requirements will change July 1, 2000. Any candidate who meets the current education requirement (bachelors degree with 30 semester credits in business, 20 of which are accounting) or will meet the current requirements within 90 days of the May 2000 examination may apply no later than March 1, 2000 to be approved as a candidate for the May 2000 examination.

Candidates approved by the Board to sit for the May 2000 examination will not be subject to the 150 hour education requirement unless they are unable to provide evidence of their degree within 90 days of the May 2000 exam.

For more information, visit our web site at:
www.state.id.us/boa

Please share the news with potential candidates!

Idaho State Board of Accountancy
PO Box 83720
Boise ID 83720-0002
(208) 334-2490

150 Hour Requirement

Effective July 1, 2000 the Idaho State Board of Accountancy will require new candidates for the Uniform CPA Examination to meet the 150 Hour education requirement. May 2000 will be the last exam administered with the current education requirements of a bachelors degree including 30 semester credits in business, of which 20 are in accounting.

Question: If I have applied for the CPA exam and been approved to sit for the examination prior to the July 1, 2000 date, will I have to meet 150 hour education requirement?

Answer: No. Any candidate who sat or has been approved to sit for the May 2000 exam or earlier does not have to meet the 150 hour education requirement.

Question: Does transferring fees forward from May to November 2000 impact my "grandfathered" status?

Answer: No. Being approved to sit in May establishes grandfather rights.

Question: What if I'm approved to sit for the May 2000 exam because I expect to receive my degree within 90 days of sitting for the May 2000 exam, but I don't receive my degree?

Answer: You will be subject to the 150 hour education requirement the next time you apply for the exam.

Question: What's the deadline to apply for the last examination with the current education requirements (May 2000)?

Answer: The deadline to apply for the May 2000 examination is March 1, 2000. Applications must be hand delivered to the Board office or U.S. postmarked by this date.

150 HOUR EDUCATION REQUIREMENT: 150 semester hours from an accredited college and any of the following:

- **Masters Degree in Accounting**
- **Masters Degree in Business**
24 semester hours (undergraduate) or 15 semester hours (graduate) in accounting, and at least one course of financial accounting, auditing, taxation, and management accounting.
- **Bachelors Degree in Business**
24 semester hours in business (other than accounting), (undergraduate or graduate), and 24 semester hours in accounting (undergraduate or graduate), and at least one course of financial accounting, auditing, taxation, and management accounting.
- **Bachelors Degree (other than Business)**
24 semester hours in business (other than accounting), (undergraduate or graduate), and 24 semester hours in accounting (upper division or graduate), and at least one course of financial accounting, auditing, taxation, and management accounting.

COMPUTERIZATION OF THE CPA EXAM

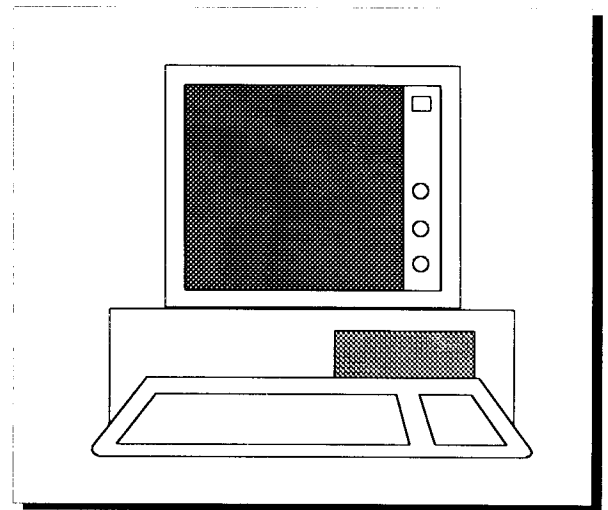
A computerized CPA examination has been envisioned for years. One of the reasons for a move to a nondisclosed exam beginning with the May 1996 exam was to build a bank of pretested questions; a necessity to developing a computer exam.

A Joint Computerized Implementation Committee (CIC) has been formed by the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA). The CIC is charged with formulating a computer-based examination; testing a computerized mode; and moving towards implementation of a computer-based examination by the year 2003.

The vision of the CIC is to develop and implement a computer-based Uniform CPA Examination that will continue to assure protection of the public by providing a better mechanism for screening CPA candidates for entry-level competencies.

The world is already technologically driven and will become even more so in the next century. Personal computers, e-mail, the Internet, and teleconferencing make it possible to transact business anywhere, anytime. Historic information is available not in days, not in hours, but with the click of a mouse. The business environment is becoming more complex, more demanding, more immediate, more global and more knowledge-driven.

Key to the accounting profession is the effect of these changes on the audit function. The emergence of technology has changed both the "what" (audit trail of financial information) and the "how" (audit tools) of the traditional audit. With the disappearance of paper records, it is no longer possible for CPAs to audit "around the computer" for some entities.



Consequently, the many arguments for a computer-based examination include:

- Testing an expanded range of knowledge and skills that more closely reflects the practice environment.
- Gathering more information about candidates and determining if there is bias towards any group of candidates.
- Allowing questions to be more readily added, modified or deleted.
- Reducing subjectivity in grading.
- Allowing candidates greater flexibility in sitting for the examination by offering it more frequently.

The CIC has evaluated information obtained from State Boards of Accountancy and other parties, held discussions with organizations that develop computer-based examinations, and investigated other computerized exams. Based on these processes, the CIC has made tentative and preliminary decisions on the structure of the computer-based exam and has procured the services of a consultant to conduct a feasibility study on all aspects of the development and administration of the "ideal" examination. The feasibility study is expected to be completed early this year and the findings of that study will be shared with Boards and others involved in the CPA Examination process.

As new information is received on the movement to a computer-based exam, updates will be provided in future newsletters.

UNIFORM ACCOUNTANCY ACT

NASBA (National Association of State Boards of Accountancy) and AICPA (American Institute of CPAs) have jointly issued model legislation in the form of the new Uniform Accountancy Act (UAA). This evergreen document continues to be reworked in an effort to reflect what has been referred to as "real world regulation."

The major differences between Idaho's current regulatory structure and the UAA are in:

**Substantial Equivalency
Non-CPA Ownership
Commissions and Contingent Fees
Experience**

GIVE US YOUR OPINION - UAA PUBLIC SURVEY

If you haven't already replied, please fill out this form and fax it to the ISBA today!

☐ Licensee 98% How many years have you been licensed? _____

Which of the following most clearly describes your job function?

Public Accounting 67% Industry 16% Education 1% Government 6% Other 10%

☐ Non-Licensee 2%

Please indicate your response to the following provisions (Responses to date are shown in percentages.)

1. SUBSTANTIAL EQUIVALENCY

(A) Concept (interstate practice and reciprocity)

Strongly Agree 71% Agree 26% Undecided 2% Disagree 1% Strongly Disagree 0% Neutral 0%

(B) Change in experience to 1 year general + additional attest

Strongly Agree 29% Agree 40% Undecided 9% Disagree 7% Strongly Disagree 12% Neutral 2%

2. NON-CPA OWNERSHIP (requires 51% licensee ownership, allows up to 49% active nonlicensee ownership)

Strongly Agree 28% Agree 36% Undecided 9% Disagree 12% Strongly Disagree 12% Neutral 2%

3. COMPENSATION

(A) ALLOW ACCEPTANCE OF COMMISSIONS (non-attest clients, full disclosure)

Strongly Agree 49% Agree 16% Undecided 13% Disagree 8% Strongly Disagree 13% Neutral 0%

(B) ALLOW CONTINGENT FEE ARRANGEMENTS (non-attest clients, full disclosure)

Strongly Agree 44% Agree 21% Undecided 8% Disagree 11% Strongly Disagree 16% Neutral 0%

ADDITIONAL COMMENTS: _____

Fax to the ISBA 208-334-2615 (or e-mail comments to bporter@boa.state.id.us)

UAA Public Hearings

to be held by the
Idaho State Board of Accountancy



The Idaho State Board of Accountancy has set the following dates and locations for public hearings on the UAA throughout the state of Idaho. We encourage participation by CPAs and LPAs - active, inactive or retired; Exam Candidates; Licensure Applicants; Members of Related Professions; Business Owners; Banking Industry Representatives; Other Consumers of CPA services; and Any Interested Members of the Public.

The hearings will be designed to share the concepts contained in the Uniform Accountancy Act, and then hold both a Question and Answer Session and a Public Comment Session.

Please mark the date on your calendar for the hearing nearest you and pass the information on to others who may be interested in attending. For planning purposes, **please let us know which session you will attend**. Give us your name(s) and which session you'll attend. Fax or e-mail us. Of course, walk-in participation is welcomed too!

ATTENDEE NAME (S) _____

<input type="checkbox"/> Twin Falls	Tues, May 4, 1999	4:00 p.m. - 6:00 p.m.	Canyon Springs Inn
<input type="checkbox"/> Pocatello	Wed, May 5, 1999	4:00 p.m. - 6:00 p.m.	Holiday Inn
<input type="checkbox"/> Idaho Falls	Fri, May 7, 1999	12 Noon - 2:00 p.m.	Cavanaughs on the Falls
<input type="checkbox"/> Coeur d'Alene	Wed, May 12, 1999	4:00 p.m. - 6:00 p.m.	Coeur d'Alene Inn
<input type="checkbox"/> Lewiston	Thur, May 13, 1999	12 Noon - 2:00 p.m.	Red Lion Inn
<input type="checkbox"/> Boise	Wed, May 19, 1999	4:00 p.m. - 6:00 p.m.	Owyhee Plaza
<input type="checkbox"/> Nampa	Thur, May 20, 1999	4:00 p.m. - 6:00 p.m.	Shilo Inn

FAX TO IDAHO STATE BOARD OF ACCOUNTANCY 208-334-2615 (or e-mail to cmaccari@boa.state.id.us)

WHAT'S YOUR LICENSE STATUS?

INACTIVE vs. RETIRED

For licensees over 60 years of age no longer in public practice, the ISBA can grant "retired" status. There is no annual fee or CPE requirement, and we mail you a quarterly newsletter - just like inactive status. The benefit of retired status is that we send you a wall certificate that you may display anywhere designating you as "CPA-Retired." Write, phone or fax us if you are interested in changing your licensing status.



SPECIAL RECOGNITION

1998 REINSTATED LICENSES

The Board would like to welcome back the following licensees who have reinstated their Idaho CPA license since January 1999:

John Sanders, Jr.	CP- 780	ID
Wayne Brumm	CP-1292	IN
Tracy Van Orden	CP-2803	WA
Carl Cleaver	CP-3076	ID
Brian Murphy	CP-3483	ID
Teresa Parkey	CP-3517	ID

In Memorial...

Ruland E. Williams	CP- 66
Robert L. Hamersley	CP- 74
Harry R. Severn	CP- 80
Marcel Learned	CP- 104
William H. Olson	CP- 105



INACTIVE STATUS REQUESTS

If you are considering placing your license in an inactive status as of July 1, 1999, please note the following reinstatement requirements from Idaho Accountancy Act:

Rule 518.03 Reinstatement. Licensees who have voluntarily suspended their license may apply for reinstatement of their license by submitting appropriate forms supplied by the Board and paying the applicable fees. The licensee must also complete 80 hours of continuing professional education in the 12 months prior to applying for reinstatement and must provide appropriate documentation of the hours prior to the issuance of a license.

You can request Inactive or Retired status on your annual license renewal form.

NOVEMBER 1998 CPA EXAM STATISTICS

The following statistics were compiled for the November 1998 Uniform CPA Examination for all Idaho exam candidates:

	# of Candidates	# Passed	%
Audit	186	54	29%
Business Law	191	58	30%
Accounting & Reporting	193	38	20%
Financial Acctg & Report	187	62	33%

Passed in one sitting	14	6%
Passed after add'nal sitting(s)	31	14%
New Condition	30	13%
Additional Condition	13	6%
Failed	139	61%
Total Sitting	227	100%

	# of candidates	% of all candidates
First Time Candidates	57	25%
Passed in 1 sitting	6	3%

Re-exam Candidates	170	75%
Passed in 1 or more sittings	39	17%

Conditioned status is granted for passing at least two sections with at least a 75% grade and having at least a 50% in the two failed sections. Once a candidate has conditioned, he or she has the next six consecutive given examinations to pass the remaining subjects and successfully pass the exam. If the candidate does not pass within the next six exams, conditioned status is lost and the candidate must start over by sitting for all four sections of the exam.

CPE NEWS

1998 CPE COMMITTEE MEETING

The Continuing Professional Education Committee met on March 4, 1999 at the Idaho Board of Accountancy office to review random audits, CPE courses, and discuss various CPE issues. The Committee would like to remind licensees that you are required to retain documentation for each course that you take for four years. The CPE audit period takes place during a busy time for accountants, and the committee would like to offer the following suggestions to make the audit procedure easier and less time consuming for you during what may be your busiest season:

1. Make sure you have signed documentation for each course, or seminar *before you leave the course site*. It is much easier to take a few minutes to obtain documentation from the sponsor at that time, rather than trying to get it months later. If the sponsor does not have a certificate for you at the end of the course, make sure you have the name and phone number of a contact person who can assist you with this promptly. If the sponsor does not have a formal certificate or document, it is acceptable for them to write a letter on their letterhead verifying; your attendance, number of hours you attended, course and instructor name, date, and course location.

2. List the course on the back of the CPE form as you complete it instead of waiting until the end of the year. You can download this form from our Web Site at: www.state.id.us/boa in the CPE section, or contact Kris Pollard, CPE Coordinator at the Board office for a blank form.

The committee would also like to remind you that if you take correspondence courses, the year for which credit will be given for that course *is the year listed on the course documentation*. Sponsors of these courses are usually reliable in listing the completion date on the certificate as the date that they received your test materials. However, it is still the *licensee's responsibility* to insure that your documentation lists the correct year. It may be advisable to obtain proof of the date you submitted the test to the sponsor.

LATE CPE

If you did not submit your 1998 CPE report by the January 31, 1999 deadline, the **\$200.00 late filing fee** must now be included with your report. **All late reports will be audited, which means course documentation is required for all reported CPE.**

FINES AND CONSEQUENCES OF LATE FILING

If the form is returned during the month of February, the fine is \$100.

If the form is returned during the month of March, the fine is \$150.

If the form is returned during the month of April, the fine is \$200.

If the form is returned during the month of May, the fine is \$250.

If the form is returned during the month of June, the fine is \$300.

If the form, appropriate fine and audit documentation are not returned by June 30, 1999, the Board will begin suspension proceedings against you and may refuse to renew your license pursuant to *Idaho Code* Section 54-219. Late fine will not be waived for late or lost mail where the licensee has failed to keep the Board office informed of address changes.

BOARD INVOLVEMENT OPPORTUNITIES

CPAs and LPAs who become involved with regulatory activities are important to the operation of the Idaho State Board. Your participation provides the Board with a broadened knowledge base, a more diverse perspective, and creative energy. Committee participants benefit by serving with other outstanding licensees and by helping to define and maintain a strong profession.

We are looking for people to participate in the following :

Uniform CPA Examination Proctors

We would appreciate CPA volunteers willing to assist us with the May 5 & 6, 1999 exam proctoring. Assistance is needed at the Boise, Moscow and Pocatello locations.

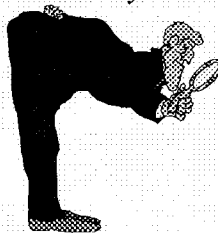
Continuing Professional Education Committee

The committee is made up of ten licensed CPAs and LPAs who serve three year terms. They review and evaluate CPE programs, consider applications for exceptions, and address other issues as the Board assigns. The CPE committee meets once a year, usually on the first Thursday of March. The Board pays expenses incurred by members. The outgoing members will leave vacancies in Northern and Southeastern Idaho. Possible changes in the future of CPE will bring interesting and exciting challenges for members on this important committee.

Investigators

We frequently have complaints filed against licensees that require technical expertise in the investigation. We are creating a bank of individuals to draw on from around the state. The Board pays the expenses incurred by our investigators as well as compensate them on an hourly basis. Doing an investigation is interesting and challenging work.

The Idaho Accountancy Act prohibits anyone from falsely representing that he or she is a CPA. So what can you do? You can...



Be a watchdog for the profession!

The Board has found that many people and businesses list themselves as CPAs or CPA firms in the telephone book or other advertising materials, even though they are not licensed. Advertising of this nature has the potential to mislead the public and ultimately cause harm.

The Board writes letters, makes telephone calls, and sometimes files lawsuits in order to stop these individuals from continuing their false advertising. Licensees brought many of these to the Board's attention.

Any time you notice a telephone listing, an advertisement, or a wall certificate that may falsely identify a party as a CPA, please contact Chris Maccarillo at the Board office (208-334-2490 or e-mail cmaccari@boa.state.id.us) or fax a copy of the ad to 208-334-2615.

Thank you for your help!

Information and Advice Received Orally

Staff and individual Board members may provide general information and information about interpretations formally issued by the Board. Requests for other opinions, interpretations of the act or regulations, or inquiries related to how to proceed in a given situation, should be submitted in writing to the Board office. A written response will be provided. Oral opinions or interpretations given by individual Board members or staff are non-binding. Although we try to be as accurate as possible, applicants and licensees who act in reliance on oral opinions must remember that they do so at their own risk.

To apply, contact Barbara Porter at (208) 334-2490 or write to the Board office.

Please pass the word along to someone you know who may be interested or has special knowledge in these areas.

IDAHO STATE BOARD OF ACCOUNTANCY
PO BOX 83720
BOISE ID 83720-0002

PRSRT STD
U.S. POSTAGE
PAID
BOISE, IDAHO
PERMIT NO 1

Address Change? Let Us Know!

Licensees, please check the mailing label on the upper half of this page. Idaho Accountancy Rule 302 requires license holders to notify the Board in writing within 30 days of any change of address, business connection, or employer.

Licensee Name _____

Employer Name _____ New? ☐ Yes ☐ No

License # _____ Daytime Phone () _____

New Mailing Address _____

City _____ State _____ Zip _____

Signature _____ Date _____

Mail to: Idaho State Board of Accountancy
PO Box 83720
Boise, Idaho 83720-0002

OR FAX : 208-334-2615
OR E-MAIL: isba@boa.state.id.us